

NATURAL RESOURCE COMMISSION[571]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 321G.2 and 321G.7, the Natural Resource Commission hereby gives Notice of Intended Action to amend Chapter 28, “Snowmobile and All-Terrain Vehicle Registration Revenue Cost-Share Program,” and Chapter 47, “Snowmobiles,” Iowa Administrative Code.

The proposed rule making implements the action steps identified in a process improvement event held by the Department with the Iowa State Snowmobile Association (ISSA) October 3 through 7, 2011. The purpose of this event was to work with key stakeholders to revamp the snowmobile cost-share program, as cost-share recipients had long asked for an improved process, clearer selection criteria, and an earlier deadline for submitting applications. After working together for one week, a new and improved program was developed.

The proposed rule making changes the snowmobile cost-share application submittal date from July 1 to May 1 each year (see proposed subrule 47.33(2)). By moving the cost-share cycle forward, applicants can enter into approved cooperative agreements sooner, allowing for better timing of preseason groomer repairs, trail development planning, and land acquisition such as securing land leases. The proposed rule making also provides more detailed project selection criteria for the purchase, repair and operation of grooming equipment, trail development, and land acquisition (see proposed rule 571—47.36(321G)). The proposed rule making also sets out that the records kept by entities receiving funds under this program are subject to audit by the Department and the State Auditor’s Office (see proposed rule 571—47.40(321G)). The proposed rule making also specifies the requirements for seeking funds for land acquisition such as easements and leases (see proposed rule 571—47.43(321G)). In addition, the proposed rule making provides more clarity on the reimbursement of expenses to ISSA (see proposed subrule 47.42(7)). While existing rules allow ISSA to seek reimbursement of certain expenses pursuant to an agreement with the Department, the proposed rule making clarifies the exact types of items eligible for reimbursement. Moreover, the proposed rule making provides additional oversight regarding payment to ISSA by mandating that the proposed agreement between ISSA and the Department be subject to selection criteria, review and selection committee recommendation, and approval by the Director of the Department.

The proposed rule making also moves the snowmobile cost-share program currently in Chapter 28 into the chapter containing other snowmobile rules, Chapter 47. Containing all program-specific rules in the same place is convenient to stakeholders.

The proposed rule making has positive impacts on the state and local economies, supporting existing jobs and growth. By moving the cost-share application deadline from July 1 to May 1, applicants can enter into approved cooperative agreements sooner, allowing for better timing of preseason groomer repairs, trail development planning, and land acquisition such as securing land leases. This ensures that preseason groomer repairs are completed well before the snow season; thus, groomers will be grooming trails rather than making repairs at the first snowfall. A groomed snowmobile trail is not only safer, but attracts riders from across the state and from surrounding states. States with early and consistently groomed trails are more likely to attract riders than states without these services. Snowmobilers have a proven spending record with local businesses such as gas stations, restaurants, hotels, and local snowmobile dealers. Preseason repairs provide a boost to local equipment and parts suppliers and other related businesses.

A snowmobile economic impact study conducted by Iowa State University indicated that in 2009 and 2010 Iowa's 28,265 registered snowmobilers spent an estimated \$76.3 million per year on snowmobile equipment and activities. Of that total expenditure, \$50.3 million was spent in Iowa, with the remaining \$26 million spent on trips out of state. Estimated expenditures by out-of-state snowmobilers riding in Iowa added an additional \$556,600 of spending, for a total of \$50.85 million. The in-state expenditures generated an estimated \$30.4 million in additional transactions within the Iowa economy, resulting in an estimated \$81.3 million in total transactions or sales, \$27.9 million in personal income, and 1,101 jobs. The study concluded that if the state of Iowa could capture the \$26 million that Iowa snowmobilers spent out of state, there would be the potential of providing an additional \$41.9 million in total transactions, \$14.5 million in additional household income, and 576 more jobs. See "The Economic Importance of Snowmobiling in Iowa," prepared for ISSA, Daniel Otto, Dept. of Economics, ISU, author.

Capturing the out-of-state trip expenditures is directly related to trail development, maintenance and grooming activities in Iowa. The State of Iowa can facilitate efforts to keep stakeholders riding in Iowa by providing earlier cost-share approvals, leading to earlier preseason groomer repairs, trail development planning and landowner lease agreements. The existing rules limit the aforementioned activities due to the cost-share application deadline's proximity to the snow season. The complete jobs impact statement is available from the Department upon request.

Any interested persons may make written suggestions or comments on the proposed amendments on or before October 8, 2013. Such written materials should be directed to David Downing, Iowa Department of Natural Resources, 502 E. 9th Street, Des Moines, Iowa 50319; fax (515)281-6794; telephone (515)281-3449; or e-mail David.Downing@dnr.iowa.gov.

Also, there will be a public hearing held on October 8, 2013, at 2 p.m. in the Third Floor Conference Room, Wallace State Office Building, 502 E. 9th Street, Des Moines, Iowa. Persons attending the public hearing may present their views orally or in writing. At the hearing, persons will be asked to provide their names and addresses for the record and to confine their remarks to the subject of the proposed amendments.

Any persons who attend the public hearing and have special needs, such as hearing or mobility impairments, should contact the Department and advise of specific needs.

This rule making received preclearance from the Governor's Office on March 21, 2013, and was approved by the Natural Resource Commission on May 9, 2013.

These amendments are intended to implement Iowa Code sections 321G.2 and 321G.7.

The following amendments are proposed.

ITEM 1. Amend 571—Chapter 28 as follows:

CHAPTER 28
~~SNOWMOBILE AND ALL-TERRAIN VEHICLE REGISTRATION~~
REVENUE COST-SHARE PROGRAM

571—28.1(321G 321I) Definitions.

"All-terrain vehicle (ATV)" or *"off-highway vehicle (OHV)"* means a motorized flotation-tire vehicle with not less than three low-pressure tires, but not more than six low-pressure tires, or a two-wheeled off-road motorcycle, that is limited in engine displacement to less than 800 cubic centimeters and in total dry weight to less than 750 pounds and that has a seat or saddle designed to be straddled by the operator and handlebars for steering control.

"Commission" means the natural resource commission.

"Department" means the department of natural resources.

"Director" means the director of the department of natural resources.

"High-quality natural area" means an area that includes high-quality native plant communities or highly restorable native plant communities or an area that provides critical wildlife habitat. An on-site evaluation by a qualified person(s) for each proposed site is necessary in making this determination.

"Local cost-share portion" means those funds available for use by incorporated organizations or other public agencies through cost sharing, grants, subgrants or contracts.

“Previously disturbed” means an area where the plant community has been severely disturbed and has not recovered or the natural (native) plant biota is nearly gone. Such an area has been so heavily disturbed that the plant community structure has been severely altered and few or no higher plants of the original community remain. Examples are newly cleared land, cropland, improved pastureland, severely overgrazed second growth forest, rock-gravel quarries, mines, and sand pits.

“Snowmobile” means a motorized vehicle weighing less than 1,000 pounds which uses sled-type runners or skis, endless belt-type tread, or any combination of runners, skis, or tread, and is designed for travel on snow or ice.

“Sponsor” means the incorporated organization or other public agency receiving funding through the snowmobile or ATV grant programs program to acquire, develop, maintain or otherwise improve snowmobile or all-terrain vehicle areas and trails.

“State share” means those funds that may be used by the state for administration or for other miscellaneous expenses related to the respective program such as law enforcement.

571—28.2(324G 321I) Purpose and intent. This program provides funds from snowmobile and the all-terrain vehicle ~~registrations~~ registration to political subdivisions and incorporated private organizations for the acquisition of land; development and maintenance of snowmobile trails and all-terrain vehicle areas and trails; and facilities for such use on lands which may be in other than state ownership. This chapter is intended to clarify procedures used in implementing agreements under Iowa Code section 324G.7 321I.8 between the department and sponsors; and the authority of the director of the department. All areas, trails and facilities established or maintained using revenues under this program shall be open to use by the general public.

571—28.3(324G 321I) Distribution of funds. The local cost-share portion of state snowmobile and all-terrain vehicle registration funds as established in Iowa Code section 324G.7 321I.8 and this rule shall be distributed in accordance with this chapter and upon execution of agreements under Iowa Code section 324G.7 321I.8. The local cost-share portion of ~~each~~ the registration fund shall be at least 50 percent of appropriate registration revenues. The remaining revenues shall be known as the state share. State share funds shall not exceed 50 percent of the total registration revenue generated for ~~either the~~ program per fiscal year.

571—28.4(324G 321I) Application procedures.

28.4(1) Forms. Applications for cost-share moneys shall be made on forms available from the department. The application must be completed and signed by the chairperson or chief executive officer of the applying sponsor. The application must be accompanied by a copy of the minutes of the sponsoring organization meeting at which the request was approved.

28.4(2) Deadlines for application submission.

~~a. Applications for snowmobile fund moneys must be received by the department no later than 4:30 p.m. on July 1 or the closest business day of each year.~~

~~b. a.~~ Applications for all-terrain vehicle fund moneys must be received by the department no later than 4:30 p.m. on April 1 or October 1 or the closest business day of each year.

~~c. b.~~ Applications received after the dates given in 28.4(2) “a” and “b” above will be returned to the submitting sponsor and shall not be considered for cost-share moneys during the current review and selection process, unless the application deadline has been extended by the director.

571—28.5(324G 321I) Review and selection committees.

28.5(1) ~~The committee responsible for reviewing, ranking and selecting projects to receive funding from the local cost share portion of snowmobile registration revenues shall be comprised of two representatives appointed by the president of the Iowa State Snowmobile Association and three department representatives appointed by the director.~~ The committee responsible for reviewing, ranking and selecting projects to receive funding from the local cost-share portion of the all-terrain vehicle registration revenues revenue shall be comprised of two representatives appointed by the president

of the Iowa Off-Highway Vehicle Association and three department representatives appointed by the director.

28.5(2) The review and selection ~~committees~~ committee shall meet at the department central office in Des Moines within 30 days following the application deadline for ~~each~~ the program. Applications eligible for funding will be reviewed and ranked by the committee. The committee's recommendations will be submitted to the director for approval.

571—28.6(324G 321I) Director's review of approved projects. The director shall review, amend, reject or approve committee selections and may reject any application recommended by the committee for funding. Appeals of the director's decision may be made to the commission. A project is considered approved and the grant period shall begin and end as specified in the grant approval letter from the program administrator. Applicants shall be notified of their grant status in writing within 30 days after the review and selection committee meeting.

571—28.7(324G 321I) Project selection criteria. In reviewing, ranking and recommending projects to receive available funding, the following criteria shall be used:

~~28.7(1) Snowmobile program.~~

- ~~a. Projects with long-distance trails, connector trails or trails linking several existing trails.~~
- ~~b. Projects proposing maintenance and management of existing trails.~~
- ~~c. Projects located near a major population center or in a high-demand area.~~
- ~~d. Projects having documented local support.~~
- ~~e. Projects located in areas having sustained and adequate snow cover each year.~~

~~28.7(2) All-terrain vehicle program.~~

- ~~a. 1. Projects proposing maintenance and management of existing approved all-terrain vehicle trails and use areas.~~
- ~~b. 2. Development within existing approved all-terrain vehicle trails or use areas.~~
- ~~c. 3. Projects having documented local support and involvement.~~
- ~~d. 4. Acquisition and development projects located in areas of high demand that have preference given to projects with the most long-term, stable management plan and that have the least adverse environmental and social impacts.~~

571—28.8(324G 321I) Eligibility of projects. Items listed in this chapter or approved by the director which can reasonably be utilized in the construction or maintenance of riding areas or trails for ~~snowmobile or~~ ATV riding shall be eligible for funding.

571—28.9(324G 321I) Use of funded items. Manufactured products or machinery purchased by sponsors with state assistance under ~~these programs~~ this program shall be used only for the purpose of establishing or maintaining riding areas, trails, or facilities and as emergency rescue equipment where applicable.

571—28.10(324G 321I) Disposal of equipment, facilities or property.

28.10(1) Without prior written approval of the department, sponsors shall not dispose of any manufactured products, machinery, facilities or property if the department paid all or a portion of the actual cost. Sponsors shall, in the case of equipment or facilities, reimburse the department a percentage of the disposal price received, that percentage being the percent of the original purchase price paid by the ~~snowmobile or~~ all-terrain vehicle fund.

28.10(2) Real property and equipment shall be disposed of as stipulated in the grant agreement under which they were acquired. Reimbursements from the sale of real property and equipment shall be credited to the ~~appropriate snowmobile or~~ all-terrain vehicle registration account ~~from which the funding originated.~~

571—28.11(324G 321I) Record keeping. Sponsors receiving funds under ~~these programs~~ this program shall keep adequate records relating to the administration of the grant, particularly relating to all incurred

costs. These records shall be available for audit by appropriate personnel of the department, the state auditor's office, and the ~~Iowa State Snowmobile Association or Iowa Off-Highway Vehicle Association~~ as appropriate.

571—28.12(321G 321I) Sponsors bonded. Prior to receiving prepayment from ~~these~~ this grant ~~programs~~ program, all nonpublic sponsors must produce proof that their chairperson and treasurer are covered under a fidelity bond, personal or surety, to the sponsor in a sum of no less than the total prepayment amount for each office.

571—28.13(321G 321I) Items eligible for funding specific to the all-terrain vehicle program.

28.13(1) Land acquisition. Purchasing of easements or fee title land acquisition as approved by the review and selection committee and director. Title to property acquired using the local cost-share portion of registration revenues shall be in the name of the sponsor, unless otherwise approved by the commission. The grant may be for prepayment or reimbursement of land acquisition expenses including appraisals, surveys and abstracts in addition to the property cost. The grant may pay the sale price or appraised value, whichever is less. Appraisals are required and must be approved by the department. Payments may be made directly to the landowner by the department. The grant agreement may contain provisions in addition to those contained in this chapter for disposal of property if it ceases to be managed and used for the purpose for which it was acquired. Land acquisitions (or leases) using ATV registration revenues shall utilize the following specific criteria:

a. ATV parks shall be limited to previously disturbed areas. High-quality natural areas and historical and cultural areas shall be avoided. If a proposed ATV park contains fragments of any of the aforementioned areas, they shall be managed and protected as off-limit sites.

b. In making the determination of whether high-quality natural areas and historical or cultural areas exist, an expert in the said field shall complete a thorough assessment utilizing all available resources including local expertise.

c. Prior to ATV land acquisition, a public informational meeting shall be held to address the proposed ATV park. The meeting shall be posted in accordance with Iowa Code section 362.3 and meeting minutes shall be made available to the commission.

d. Neighboring property owners shall be notified of the proposed ATV park. Public comment received by the department or local political subdivision will be evaluated and presented to the commission.

e. A local project sponsor shall be willing and able to maintain the ATV park and shall implement and abide by an approved operational plan.

f. A local sponsoring political subdivision shall support the park and may provide local input.

g. The topography and associated soil erosion potentials shall be cost-effectively manageable as determined by the ATV review and selection committee.

h. The commission shall make the final determination whether to acquire a tract of land as an ATV park.

28.13(2) Development and maintenance of existing publicly owned property that has been recognized and designated as an ATV area by a local political subdivision or the commission.

28.13(3) Hourly wages may be reimbursed as approved by the director. Approved labor expenses may include equipment maintenance or repair and trail maintenance activities. Labor costs shall be documented on logs provided by the department and shall be accompanied by proof that the cost was paid by the sponsor. If labor and repair are contracted, reimbursement shall be at the amount specified in the contract approved by the director. The sponsor shall obtain any federal, state or local permits required for the project.

28.13(4) Actual material cost of trail maintenance tools, gravel, fence openings, gates, bridges, culverts, and fencing supplies. Diesel fuel, propane, gasoline, oil, parts replacement and repair bills for equipment used for land or property management.

28.13(5) Purchase of approved equipment to be used for maintenance of riding areas or trails. Cost of leasing equipment used to maintain or manage ATV riding areas or trails.

28.13(6) Program and facility liability insurance. Insurance shall be in place for project sponsors receiving grant funds. If insurance is purchased by the sponsor, proof of liability insurance shall be provided to the department. The state may purchase a statewide insurance policy covering all project sponsors receiving funds from the ATV grant program, in which case a copy of the policy shall be made available to covered sponsors upon request. This insurance coverage may include liability insurance for the landowner(s) or other insurable interests. ATV registration funds shall not be used to purchase insurance for special events. The total payment from the all-terrain vehicle fund shall be 100 percent of the approved actual cost. All insurance paid under this subrule must be furnished by companies licensed to do business in Iowa.

28.13(7) Cost of educational, enforcement or medical services for ATV areas funded through the ATV program.

28.13(8) Trail signs. Signs shall be provided to the sponsor by the department. Only those signs approved by the department for use on funded areas or trails shall be used by the sponsor. Signs appropriate to the ATV program shall be ordered on forms provided by the department. The sign order deadline shall be the same as the application date specified in subrule 28.4(2).

28.13(9) Developmental expenditures. Access roads, parking lots, picnicking, camping and playground facilities; sanitary, shelter, concession and control facilities; and utilities.

28.13(10) Pursuant to an agreement between the department and the Iowa Off-Highway Vehicle Association, miscellaneous personal expenses and salary for an association representative may be reimbursed at a rate approved by the director. Expenses and salary expenses shall be documented on logs provided by the department and submitted at the end of the term specified in the agreement.

28.13(11) Direct payment to vendors. The department may establish operational procedures to facilitate direct payment to vendors for:

a. Major expenditures or specialty items including land acquisitions, development expenses, program liability insurance fees and trail signs.

b. Unexpected repairs including materials or other expenses costing more than \$250 that may be necessary to operate and maintain the ATV use area or trail in a safe manner.

~~571—28.14(321G) Items eligible for funding specific to the snowmobile program.~~

~~28.14(1) Grooming equipment.~~

~~*a.* The project sponsor shall have a minimum of 100 miles of groomed snowmobile trail before the department awards funding for a groomer purchase or lease.~~

~~*b.* The state may acquire committee-approved groomers and drags through the use of the standard state purchasing procedure. If the purchase and lease of groomers and drags are approved by the grant review and selection committee and the department, sponsors may acquire or lease snow grooming equipment with snowmobile program funds.~~

~~*c.* After approval by the department and upon trade-in to the department of a used groomer by a sponsor for replacement purposes, the trade-in value shall be applied to the new groomer purchase. The sponsor is responsible for obtaining liability insurance, licensing the machine as needed and providing personnel for daily operation and maintenance.~~

~~*d.* Upon sale or trade-in of a used groomer with no replacement, the snowmobile fund shall refund to the sponsor the percentage of the trade-in value which matches the percent originally invested in the groomer. Groomers shall not be traded between sponsors without written prior approval from the department.~~

~~**28.14(2)** Groomer maintenance, repair and operation wages may be reimbursed at a rate approved by the review and selection committee and the department. If repair work is done by professional shops, payment shall be in the amount billed for the repair. Costs for towing disabled grooming equipment shall be reimbursed as billed by the company doing the work.~~

~~**28.14(3)** Trail signs. Signs shall be provided to the sponsor by the department. Only those signs approved by the department for use on funded areas or trails shall be used by the sponsor. Signs appropriate to the snowmobile program shall be ordered on forms provided by the department. The sign order deadline shall be the same as the application date specified in subrule 28.4(2).~~

~~28.14(4) Actual material cost of gates, fence openings, bridges, culverts and permanent bridges. Permanent bridges are eligible only if placed on public land or on private property under a lease or easement for ten or more years.~~

~~28.14(5) Program and facility liability insurance shall be in place for project sponsors receiving grant funds. If insurance is purchased by the sponsor, proof of liability insurance shall be provided to the department. The state may purchase a statewide insurance policy covering all project sponsors receiving funds from the snowmobile grant program in which case a copy of the policy shall be made available to covered sponsors upon request. This insurance coverage may include liability insurance for the landowner(s) or other insurable interests. Snowmobile registration funds shall not be used to purchase insurance for special events. The total payment from the snowmobile fund shall be 100 percent of the approved actual cost. All insurance paid under this subrule must be furnished by companies licensed to do business in Iowa.~~

~~28.14(6) Direct payment to vendors. The department may establish operational procedures to facilitate direct payment to vendors for:~~

~~a. Major expenditures or specialty items including but not limited to land acquisitions, development expenses, program liability insurance fees and trail signs.~~

~~b. Unexpected repairs including materials or other expenses costing more than \$500 that may be necessary to operate the snowmobile trails in a safe manner.~~

~~28.14(7) Pursuant to an agreement between the department and the snowmobile association, miscellaneous personal expenses for association officers when incurred in conjunction with program activities may be reimbursed.~~

571—28.15 571—28.14(321G 321I) Competitive bids. Any equipment or development expense costing more than \$500 and funded by grant funds must be purchased through a competitive bid or quotation process. Documentation of such process must be submitted before funds are released by the state. Items purchased by any other means are not reimbursable by the state.

571—28.16 571—28.15(321G 321I) Prepayment for certain anticipated costs. Only those expenditures contained in signed agreements may be prepaid. Program or facility liability insurance may be prepaid up to 100 percent. Approved facility and development costs and operations and maintenance costs may be prepaid up to 90 percent.

571—28.17 571—28.16(321G 321I) Expense documentation, balance payment or reimbursement.

28.17(1) 28.16(1) Documentation of expenditures eligible for prepayment or reimbursement shall be submitted on forms provided by the department and shall be accompanied by applicable receipts showing evidence that the expense is chargeable to the program. The sponsoring organization shall sign a certification stating that all expenses for which reimbursement is requested are related to the program and have been paid by the sponsor prior to requesting reimbursement. If necessary, the department may request copies of canceled checks to verify expenditures.

28.17(2) 28.16(2) The sponsor is responsible for maintaining auditable records of all expenditures of funds received whether by prepayment or on a reimbursement basis. This documentation shall include daily logs of groomer or other maintenance equipment, operation and repair. Work done under contract to the sponsor requires a copy of the contract and copies of canceled checks showing payment.

28.17(3) 28.16(3) Documentation of expenditures under the snowmobile portion of the revenue-sharing program must be received by the department prior to May 1 of each year.

28.17(4) 28.16(4) Documentation of expenditures under the all-terrain vehicle portion of the revenue cost-sharing program must be received within 60 days of the project end date as specified in the grant approval letter unless the project sponsor has requested an extension and the extension has been approved in writing by the department. Failure by the sponsor to complete projects in a timely manner may be cause for termination of the agreement and cancellation of the grant.

28.17(5) 28.16(5) Approved expenditures by the sponsor in excess of the prepayment amount received, up to the maximum approved amount, will be reimbursed by the department if appropriately

documented. In instances where the sponsor has expended less than the amount prepaid, the sponsor shall reimburse the balance to the department to be credited back to the annual local share or the appropriate fund.

571—28.18 571—28.17(321G 321I) Use of funds. If a grantee desires to use the approved funds for a purpose not within the approved project scope as stated in the grant approval letter, the grantee shall request an amendment to the project. If the department approves a project amendment, the department shall notify the project sponsor in writing. Whenever any real or personal property acquired, developed or maintained with snowmobile and ATV registration funds passes from the control of the grantee or is used for purposes other than the approved project purpose, such an act will be considered an unlawful use of the funds. Whenever the director determines that a grantee is in violation of this rule, that grantee shall be ineligible for further assistance until the matter has been resolved to the satisfaction of the department.

These rules are intended to implement Iowa Code ~~section 321G.7~~ sections 321I.2 and 321I.8.

ITEM 2. Adopt the following **new** Division I implementation sentence after rule 571—47.9(321G):
The rules in this division are intended to implement Iowa Code section 321G.2.

ITEM 3. Adopt the following **new** Division II implementation sentence after rule 571—47.29(321G):

The rules in this division are intended to implement Iowa Code section 321G.7.

ITEM 4. Adopt the following **new** Division III in 571—Chapter 47:

DIVISION III
SNOWMOBILE REGISTRATION REVENUE COST-SHARE PROGRAM

571—47.30(321G) Definitions.

“Commission” means the natural resource commission.

“Director” means the director of the department of natural resources.

“Local cost-share portion” means those funds available for use by incorporated organizations or other public agencies through cost sharing, grants, subgrants or contracts.

“Primary trail” means the trail a sponsor signs every year and grooms on a regular rotation.

“Secondary trails” means the trails a sponsor signs every year but does not groom consistently. Secondary trails include trails that are signed and maintained by mowing.

“Sponsor” means the incorporated organization or public agency receiving funding through the snowmobile cost-share program to acquire, develop, maintain, or otherwise improve snowmobile areas and trails.

“State share” means those funds that may be used by the state for administration or for other miscellaneous expenses related to the respective program such as law enforcement.

571—47.31(321G) Purpose and intent. This program provides funds from snowmobile registrations to political subdivisions and incorporated private organizations for the acquisition of land and for the development and maintenance of snowmobile trails and facilities. This chapter is intended to clarify procedures used in implementing agreements under Iowa Code section 321G.7 between the department and sponsors and the authority of the director of the department. All areas, trails, and facilities established or maintained using revenues under this program shall be open to use by the general public.

571—47.32(321G) Distribution of funds. The local cost-share portion of the state snowmobile fund established in Iowa Code section 321G.7 and this rule shall be distributed in accordance with this chapter and upon execution of agreements under Iowa Code section 321G.7. The local cost-share portion of the registration fund shall be at least 50 percent of registration revenue. The remaining revenues shall be known as the state share. State share funds shall not exceed 50 percent of the total revenue generated for the program per fiscal year.

571—47.33(321G) Application procedures.

47.33(1) Forms. Applications for cost-share moneys shall be made on forms available from the department. The application must be completed and signed by the elected officer of the applying sponsor.

47.33(2) Deadlines for application submission.

a. Applications for snowmobile fund moneys must be received by the department no later than 4:30 p.m. on May 1 or the following business day if May 1 occurs on a Saturday or Sunday.

b. Applications received after the dates given in 47.33(2) “*a*” will be returned to the submitting sponsor and shall not be considered for cost-share moneys during the current review and selection process, unless the application deadline is waived or extended by the director.

571—47.34(321G) Review and selection committees.

47.34(1) The committee responsible for reviewing and selecting projects to receive funding from the local cost-share portion of snowmobile registration revenues shall be comprised of two representatives appointed by the president of the Iowa State Snowmobile Association and three department representatives appointed by the director.

47.34(2) The review and selection committee shall meet at the department central office in Des Moines. Applications eligible for funding will be reviewed and funding recommendations will be submitted to the director for approval.

571—47.35(321G) Director’s review of approved projects. The director shall review, amend, reject or approve committee selections and may reject any application recommended by the committee for funding. Appeals of the director’s decision may be made to the commission. A project is considered approved and the grant period shall begin and end as specified in the cooperative agreement from the program administrator. Applicants shall be notified of their grant status within 30 days after the review and selection committee meeting.

571—47.36(321G) Selection criteria. For application reviews and for the groomer review and selection process, the following evaluation criteria shall be considered:

1. Primary and secondary trail miles and connectivity to other trail systems.
2. Maintenance and management of existing trails.
3. Projects located in high trail demand areas.
4. Projects located in areas having sustained and adequate snow cover each year.
5. The applicant’s historical record on grant expenditures, grooming records, trail marking, and compliance with cooperative agreements.
6. Sponsor level of in-kind contributions and program volunteer efforts.
7. Trail development plan.
8. Level of available program funds.

571—47.37(321G) Eligibility of projects. Items listed in this chapter or approved by the director that can reasonably be utilized in the construction or maintenance of snowmobile riding areas or trails shall be eligible for funding.

571—47.38(321G) Use of funded items. Manufactured products or machinery purchased by sponsors with state assistance under this program shall be used only for the purpose of establishing or maintaining riding areas, trails, or facilities, and as emergency rescue equipment where applicable.

571—47.39(321G) Disposal of equipment, facilities or property.

47.39(1) Without prior written approval of the department, sponsors shall not dispose of any manufactured products, machinery, facilities, or property if the department paid all or a portion of the actual cost. Sponsors shall, in the case of equipment or facilities, reimburse the department a percentage of the disposal price received, that percentage being the percent of the original purchase price paid by the snowmobile fund.

47.39(2) Real property and equipment shall be disposed of as stipulated in the cooperative agreement under which they were acquired. Reimbursements from the sale of real property and equipment shall be credited to the snowmobile registration account.

571—47.40(321G) Record keeping. Sponsors receiving funds under this program shall keep adequate records relating to the administration of the grant, particularly relating to all incurred costs. These records shall be available for audit by appropriate personnel of the department and the state auditor's office.

571—47.41(321G) Sponsors bonded. Prior to receiving prepayment from this grant program, all nonpublic sponsors must produce proof that their elected officers are covered under a fidelity bond, personal or surety, to the sponsor in a sum of no less than the total prepayment amount for each office.

571—47.42(321G) Items eligible for funding.

47.42(1) Grooming equipment.

a. The project sponsor shall have a minimum of 100 miles of groomed snowmobile trail before the department awards funding for a groomer purchase or lease.

b. If the purchase and lease of groomers and drags are approved by the grant review and selection committee and the department, the department or sponsors may acquire or lease snow grooming equipment with snowmobile program funds.

c. After written approval by the department and upon trade-in to the department of a used groomer by a sponsor for replacement purposes, the trade-in value may be applied to the new groomer purchase.

d. The sponsor is responsible for groomer and drag operation and maintenance as required in the equipment agreement.

e. Upon sale or trade-in of a used groomer with no replacement, the snowmobile fund shall refund to the sponsor the percentage of the trade-in value that matches the percent originally invested in the groomer.

f. Groomers shall not be moved between sponsors without prior written approval from the department.

47.42(2) Groomer maintenance, repair, and operation.

47.42(3) Trail signs. Only those signs approved by the department for use on funded areas or trails shall be used by the sponsor.

47.42(4) Gates, fence openings, bridges, culverts, and permanent bridges. Permanent bridges are eligible only if placed on public land or on private property under a lease or easement for ten or more years.

47.42(5) Program and facility liability insurance shall be in place for project sponsors receiving grant funds. If insurance is purchased by the sponsor, proof of liability insurance shall be provided to the department.

a. The state may purchase a statewide insurance policy covering all project sponsors receiving funds from the snowmobile grant program, in which case a copy of the policy shall be made available to covered sponsors upon request. This insurance coverage may include liability insurance for the landowner(s) or other insurable interests.

b. Snowmobile registration funds shall not be used to purchase insurance for special events.

c. All insurance paid under this subrule must be furnished by companies licensed to do business in Iowa.

47.42(6) Direct payment to vendors. The department may establish operational procedures to facilitate direct payment to vendors for:

a. Major expenditures or specialty items including but not limited to land acquisitions, groomer purchases, development expenses, program liability insurance fees, and trail signs.

b. Unexpected repairs including materials or other expenses that may be necessary to operate the snowmobile trails in a safe manner.

47.42(7) Pursuant to an agreement between the department and the Iowa State Snowmobile Association, association program expenses and personal expenses for association officers may be

reimbursed. Proposed agreements shall be subject to the review and selection requirements of this chapter and must be approved by the director. Items eligible for funding are:

a. In-state travel expenses related to the acquisition, development, and signing of snowmobile trails, grant review meetings, groomer selection, education classes, and attending department meetings or sponsored events. Expenses may include mileage, meeting rooms, and lodging at the approved state rate.

b. Transportation expenses related to moving groomers, drags, or educational equipment.

c. Promotional and educational expenses directly related to the snowmobile program.

47.42(8) Land acquisition in compliance with rule 571—47.43(321G).

571—47.43(321G) Land acquisition projects eligible for funding.

47.43(1) *Project narrative.* Any application that includes a proposal to acquire real property must include a narrative that demonstrates a demand for the proposed area in relation to population, other riding areas, potential expansion, partnership possibilities and local support.

47.43(2) *Site visit.* The department shall complete a preliminary site visit of any proposal for which the applicant proposes to acquire real property.

47.43(3) *Evaluation.* In evaluating the proposed real property acquisition, lease or development, the department shall consider the following based on its site visit, the project narrative and any other information submitted.

a. Park or trail capacity. The proposed acquisition, lease or development shall provide adequate user capacity for snowmobile recreation. Consideration shall be given to local populations and distance or adjacency to other snowmobile trails, trail systems or parks.

b. Appraisal and sale. When the applicant proposes to acquire real property, the applicant must:

(1) Provide an appraisal of the property to the department for its review and approval. The appraisal must be certified by an appraiser, licensed in the state of Iowa, and conform to the Uniform Appraisal Standards for Federal Land Acquisitions, Fifth Edition, which is also referred to as the Yellow Book.

(2) Pay not more than the appraised value, as determined in subparagraph 47.43(3) “b”(1), for the real property.

(3) Include a requirement in any proposal or option to buy the real property that such purchase agreement shall be valid for at least one year from the award of the grant.

c. Operations. The project shall be maintained by a political subdivision in the state, capable of maintaining the area on a voluntary basis. The political subdivision shall be responsible to oversee the park operations, trail and trail system, either through its own employees or through agreements with volunteers or contractors. The successful applicants shall abide by the operational plan set forth as part of the grant agreement by the department, updated annually by the parties, and subject to input from other interested parties.

d. Adjoining properties and the public. The successful applicant shall be responsible for ensuring that all adjoining property owners of the proposed land acquisition are notified of the proposed snowmobile riding area or trail system and must accept and consider comments from such property owners. The successful applicant shall also be required to hold a public meeting to notify the public about the proposed snowmobile riding area, trail system or trail. Such meeting shall conform to the requirements of Iowa Code section 362.3. The issues raised in any written or oral comments received shall be addressed by the successful applicant. The successful applicant shall submit a recitation of the comments as well as its response to them to the department for its review and approval prior to any real property acquisition for a snowmobile riding area, trail system or trail.

e. Cultural, historical and natural resources. The successful applicant shall be responsible to determine if cultural or historical resources, high-quality natural areas, species of special concern, or any state or federally listed threatened and endangered species are present or likely to be present in the real property proposed to be acquired. In the event the successful applicant determines the presence of the aforementioned resources, the successful applicant must develop a mitigation plan, endorsed by an expert in the relative field(s), to mitigate or avoid negative impact to such resources, which shall be subject to review and approval of the department. Any final mitigation plan required by this rule and

approved by the department shall be adopted as part of the operational plan set forth as part of the grant agreement.

f. Soil resources. The successful applicant shall consider the grade of all snowmobile riding areas within the snowmobile area, trail system or trails proposed as part of the real property acquisition. The successful applicant shall acquire soil survey reports for such snowmobile riding area that indicate the general soil classification of that area. The report shall be submitted to the department for its review and approval. The department shall only approve snowmobile riding areas with a moderate risk or less for soil erosion due to path or trail development. Successful applicants are encouraged to consult the Natural Resources Conservation Service of the United States Department of Agriculture regarding trail or park development.

47.43(4) Determination. The director shall make the final determination as to whether the proposed land acquisition is eligible for funding. If any of the requirements of this rule cannot be met, the department will reject all or a portion of the grant application. Title to property acquired under this program shall be in the name of the sponsor, unless otherwise approved by the director, and may contain a reversion clause that requires the property to become property under the jurisdiction of the commission in the event the property is not used as agreed upon in the grant agreement for a period of at least 20 years from the expiration of the grant.

571—47.44(321G) Competitive bids. Any equipment or development expense costing more than \$500 and funded by grant funds must be purchased through a competitive bid or quotation process. Documentation of such process must be submitted before funds are released by the state. Items purchased by any other means are not reimbursable by the state.

571—47.45(321G) Prepayment for certain anticipated costs. Only those expenditures contained in signed agreements may be prepaid. Program or facility liability insurance may be prepaid up to 100 percent. Approved facility and development costs and operations and maintenance costs may be prepaid up to 90 percent.

571—47.46(321G) Expense documentation, balance payment, or reimbursement.

47.46(1) Documentation of expenditures eligible for prepayment or reimbursement shall be submitted on forms provided by the department and shall be accompanied by applicable receipts showing evidence that the expense is chargeable to the program. The sponsoring organization shall sign a certification stating that all expenses for which reimbursement is requested are related to the program and have been paid by the sponsor prior to the request for reimbursement. If necessary, the department may request copies of canceled checks to verify expenditures.

47.46(2) The sponsor is responsible for maintaining auditable records of all expenditures of funds received whether by prepayment or on a reimbursement basis. This documentation shall include daily logs of groomer or other maintenance equipment, operation and repair. Work done under contract to the sponsor requires a copy of the contract and copies of canceled checks showing payment.

47.46(3) Documentation of expenditures under the snowmobile revenue cost-sharing program must be received by the department on or before May 1 of each year.

47.46(4) Approved expenditures by the sponsor in excess of the prepayment amount received, up to the maximum approved amount, will be reimbursed by the department if appropriately documented. In instances where the sponsor has expended less than the amount prepaid, the sponsor shall reimburse the balance to the department to be credited back to the snowmobile fund.

571—47.47(321G) Use of funds. If a grantee desires to use the approved funds for a purpose not within the approved project scope as stated in the cooperative agreement, the grantee shall request an amendment to the agreement. If the department approves a project amendment, the department shall notify the project sponsor in writing or by electronic means. Whenever any real or personal property acquired, developed or maintained with snowmobile registration funds passes from the control of the grantee or is used for purposes other than the approved project purpose, such an act will be considered

an unlawful use of the funds, subject to repayment and other penalties as provided by law. Whenever the director determines that a grantee is in violation of this rule, that grantee shall be ineligible for further assistance until the matter has been resolved to the satisfaction of the department.

The rules in this division are intended to implement Iowa Code sections 321G.2 and 321G.7.